

# BOARD GOVERNANCE ASSESSMENT

Santa Clara Valley Transportation Authority (VTA)

## Project Status Report

Ad Hoc Board Enhancement Committee (BEC) Meeting

November 18, 2019

# Agenda

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# SECTION I.

## STATUS AND ACCOMPLISHED TASKS

# Status and Accomplished Tasks

## Key Work Steps

- Began benchmark agency calls / interviews
- Completed Current State Analysis areas
- Began analysis of Board Survey questionnaire responses
- Prepared Community and Virtual Town Hall materials
- Completed interviews with majority of VTA Board members

## Project and Resource Management

- Performed RSM Quality Assurance procedures
- Updated Issues / Questions / Risks log
- Team on-site weeks of 11/18
- Held weekly project calls
- Coordinated with VTA Project Manager

## Communications

- Monitoring community and public input:
  - VTA website page and survey (<https://www.vta.org/projects/vta-governance-study>)
  - Dedicated phone line (408-952-4200)
  - City Councils, social media and community outreach
- Host live meetings this week:
  - Community meeting (11/20)
  - Virtual Town Hall, with recording posted (11/21)

## Key Dates Upcoming

- Week of 11/18 – Conclude benchmark agency interviews
- Week of 11/18 - Community meeting; Virtual Town Hall
- 12/20 - BEC Final Deliverable meeting
- TBD - Workshop?

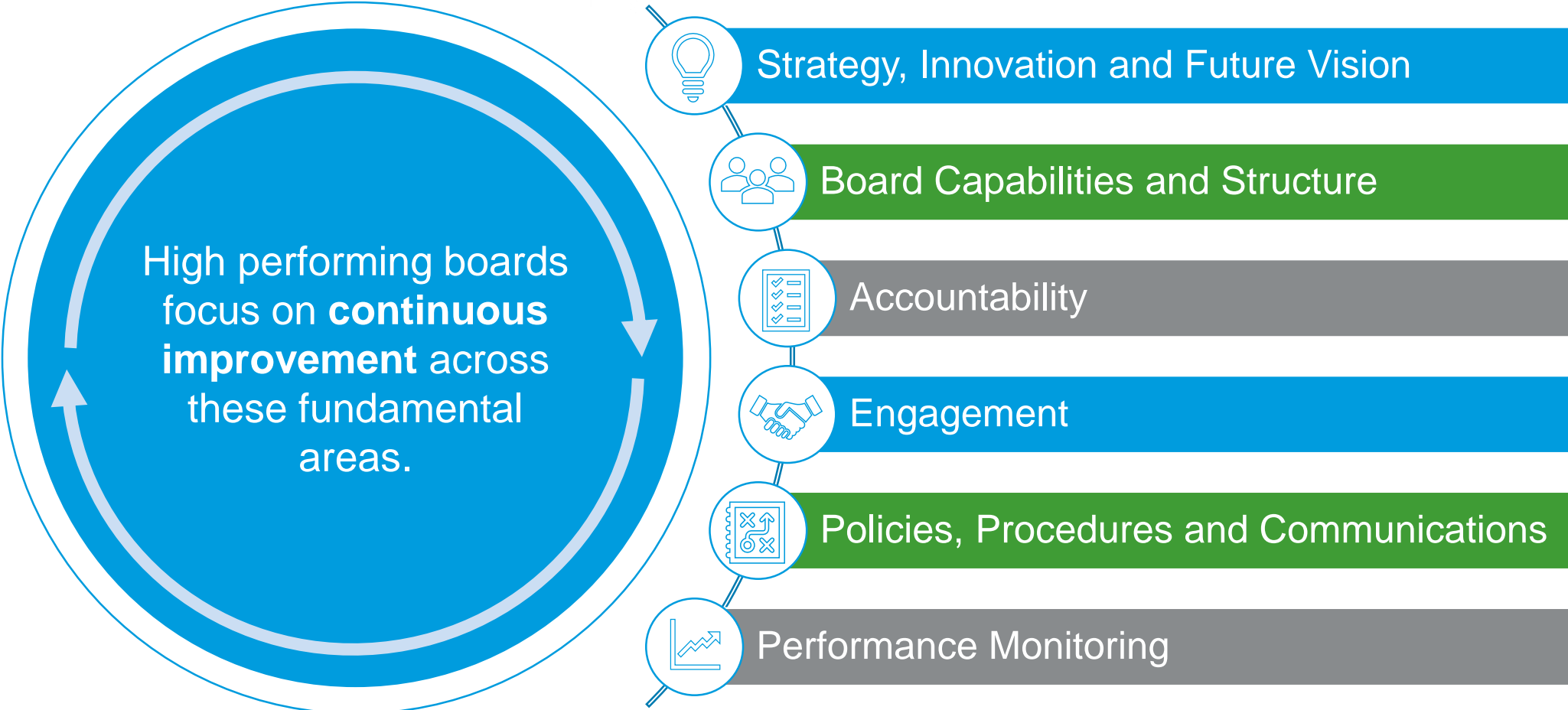


## SECTION II.

# BOARD GOVERNANCE FRAMEWORK AND WORK STREAMS

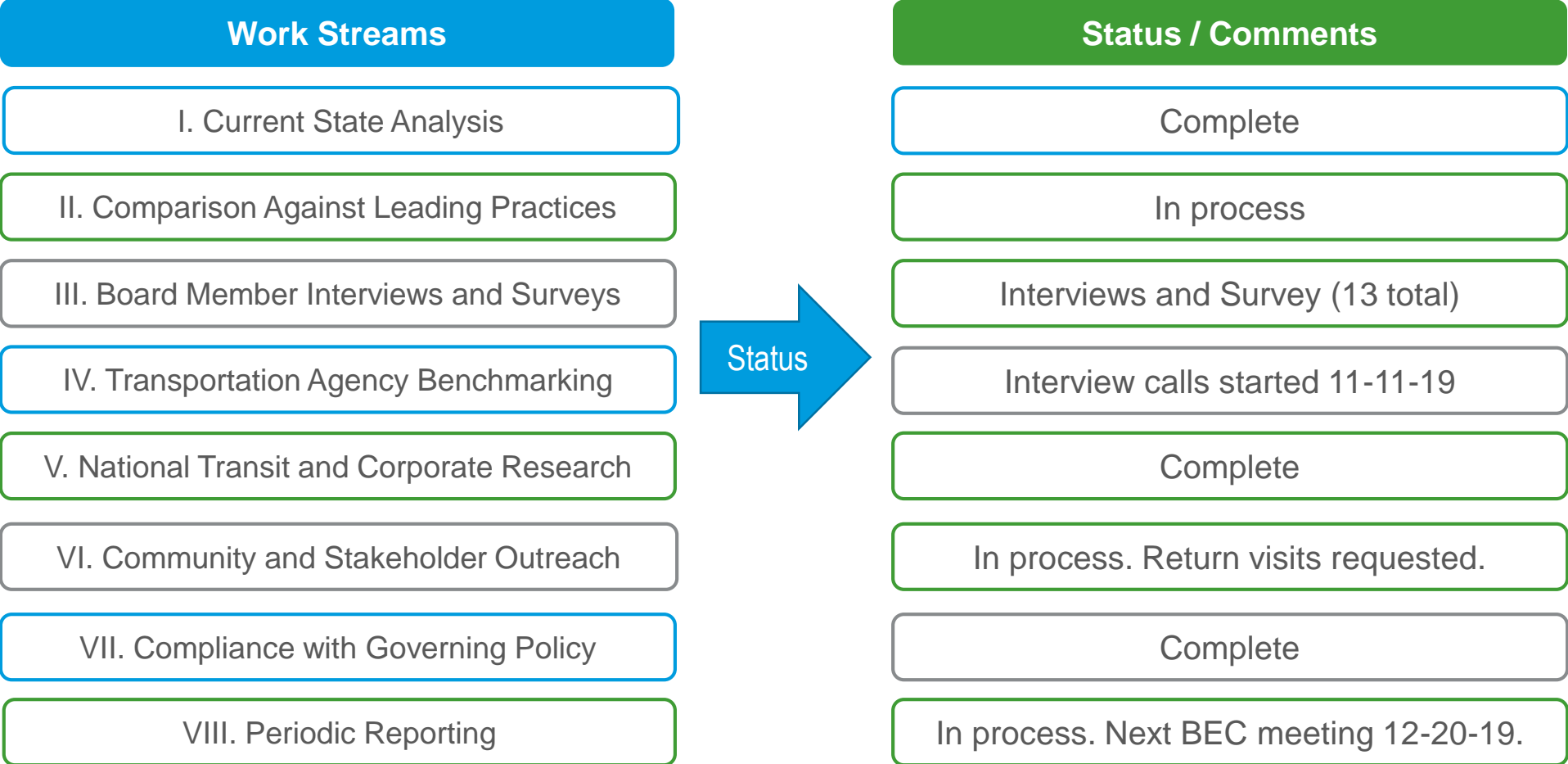
# RSM Board Governance Framework

Our Framework focuses on the following board governance fundamentals. Our work streams have been aligned with this framework.



# Assessment Work Streams

Our approach has included these multiple work streams:



# Our Board Governance Assessment Approach

- Our approach brings together work stream activities with the leading practice board governance fundamentals.
- Our findings and recommendations will be reported by these areas as well.

## Work Stream Activities for VTA

I. Current State Analysis

II. Comparison Against Leading Practices

III. Board Member Interviews and Surveys

IV. Transportation Agency Benchmarking

V. National Transit and Corporate Research

VI. Community and Stakeholder Outreach

VII. Compliance with Governing Policy

VIII. Periodic Reporting



## RSM Board Governance Framework

Strategy, Innovation and Future Vision

Board Capabilities and Structure

Accountability

Engagement

Policies, Procedures and Communications

Performance Monitoring



# Key Themes

## Background Considerations

- VTA's Board is seeking to enhance its governance effectiveness, in accordance with its fiduciary role
- VTA's Board composition was created over 28 years ago
- VTA's Governance structure and board member selection process is relatively unique
- Santa Clara County is one of the fastest growing counties in CA; and is among the nation's most congested urbanized areas
- There is some public perception of leadership challenges (from the BART project, budget and/or route discussions)
- VTA's governance complexity is increased due to the multiple transportation providers / partners in the nine county Bay Area region
- VTA's governance responsibility includes multiple modes (bus, rail, highway, congestion management)
- There is some desire for change among Board members, but no apparent consensus

We have considered these factors during our assessment.



## SECTION III.

# CURRENT STATE ANALYSIS

- Population, Sales Tax and Ridership
- Priorities and Strategies

# Analysis: Population, Sales Tax and Ridership

## Analysis

- Purpose: To assess each jurisdiction's proportionate share of various metrics
- San Jose's percentage of the total metric ranged from 44% to 68%.
  - San Jose Board seats allocated pro-rata on these measures (and assuming 12 seats) would remain the same or increase.
- Current Board seats for city groupings would remain the same (if there were no other changes).
- Investment, capital projects or grant funding may span multiple jurisdictions and was not readily estimable for each city.

## Data Sources

- **Population:** Based upon US Department of Labor, estimates based upon 2010 census
- **Sales Tax:** Based upon Bradley-Burns sales tax collections statistics from the California Department of Tax and Fee Administration. Jurisdictional sales tax receipts may not include unallocated or countywide amounts, or internet based sales.
- **Ridership:** Based upon average bus and rail weekday boardings from October 2018, as a month representative of annual patterns, from VTA Service Planning statistics.

### Limitation of Data Sources:

- Data is static, as of specific points in time.
- Data does not anticipate potential future demographic or ridership changes.
- Santa Clara County's unincorporated areas were reflected in ridership totals. Population data was not readily available.

# Analysis: City Population, Sales Tax and Ridership

Jurisdiction	Population		Sales Tax Receipts		Ridership	
	Rank	%	Rank	%	Rank	%
San Jose	1	55.6%	1	43.1%	1	67.6%
Sunnyvale	2	8.3%	4	6.8%	2	6.2%
Santa Clara	3	7.0%	2	12.2%	3	5.9%
Mountain View	4	4.5%	7	5.4%	5	3.9%
Milpitas	5	4.3%	6	5.5%	4	4.3%
Palo Alto	6	3.6%	3	7.4%	6	2.7%
Cupertino	7	3.2%	5	6.7%	8	2.2%
Gilroy	8	3.2%	8	4.1%	10	1.0%
Morgan Hill	9	2.4%	10	2.2%	12	0.7%
Campbell	10	2.4%	9	2.6%	7	2.6%
Los Gatos	11	1.7%	11	1.7%	15	< 1.0%
Saratoga	12	1.7%	14	< 1.0%	13	< 1.0%
Los Altos	13	1.6%	13	< 1.0%	11	< 1.0%
Los Altos Hills	14	< 1.0%	15	< 1.0%	14	< 1.0%
Monte Sereno	15	< 1/0%	16	< 1.0%	16	< 1.0%
Santa Clara County	16	< 1/0%	12	1.2%	9	1.1%

# Analysis: Population by City Grouping

City Grouping	City	Population Estimate 2018	%	Growth from 2010	Number of Board Seats
1	<b>San Jose</b>	<b>1,030,119</b>	<b>55.6%</b>	<b>8.9%</b>	<b>5</b>
2	Los Altos	30,531	1.6%	5.4%	
	Los Altos Hills	8,559	0.5%	8.0%	
	Mountain View	83,377	4.5%	12.6%	
	Palo Alto	66,666	3.6%	3.5%	
	<b>Subtotal Group 2</b>	<b>189,133</b>	<b>10.2%</b>	<b>7.8%</b>	<b>1</b>
3	Campbell	42,466	2.3%	7.9%	
	Cupertino	60,170	3.2%	3.2%	
	Los Gatos	30,680	1.7%	4.3%	
	Monte Sereno	3,487	0.2%	4.4%	
	Saratoga	30,599	1.7%	2.2%	
	<b>Subtotal Group 3</b>	<b>167,402</b>	<b>9.0%</b>	<b>4.4%</b>	<b>1</b>
4	Gilroy	58,756	3.2%	20.3%	
	Morgan Hill	45,135	2.4%	19.1%	
	<b>Subtotal Group 4</b>	<b>103,891</b>	<b>5.6%</b>	<b>19.8%</b>	<b>1</b>
5	Milpitas	80,430	4.3%	20.4%	
	Santa Clara	129,488	7.0%	11.2%	
	Sunnyvale	153,185	8.3%	9.4%	
	<b>Subtotal Group 5</b>	<b>363,103</b>	<b>19.6%</b>	<b>12.3%</b>	<b>2</b>
6	<b>Santa Clara County</b>	<b>0</b>	<b>0.0%</b>	<b>0.0%</b>	<b>2</b>
	<b>Grand Total</b>	<b>1,853,648</b>	<b>100.0%</b>	<b>9.6%</b>	<b>12</b>

Please see slide 11 for notes and analysis.



# Analysis: VTA Priorities and Strategies Comparison

Topic or Strategic Element	Source				
	2019 Board Chair Priorities	2019 Priorities ("VTA Overview")	2018 Annual Report (on VTA website)	2018 Board Chair Priorities	2017 – 2022 Strategic Plan (on VTA website)
Financial Sustainability / Ad Hoc Committee	X	X	X	X	
Transportation Innovation / Define the Future	X	X		X	
Measure B / Deliver on the Promise		X	X	X	
Workforce Development / Investment	X		X		
Board Governance	X				
Improve Congestion Management		X			
Champion County Projects and Programs		X			
Ridership and Financial Picture			X		
Reconfiguring VTA's Service			X	X	
Business Diversity Program			X		Core value
Safety and Security			X		Core value
Paratransit Updates			X		
BART Silicon Valley Extension			X	X	
Our People and Our Community			X		
Faster, Frequent, Reliable Transit					Strategy
Delivering Projects and Programs					Strategy
Transportation System Management					Strategy
Integrity					Core value
Quality					Core value
Sustainability (environmental)					Core value
Accountability					Core value
Bridge Tolls Measure				X	
Importance of Thinking Regionally				X	
Land Use				X	

Please see slide 15 for notes and analysis.



# Analysis: Priorities and Strategies Comparisons (continued)

## Analysis and Comments

- We assessed stated topics, priorities or strategies in five separate, publicly available documents
  - While these documents had separate purposes, we looked for consistency in messaging
  - There was minimal correlation between the Strategic Plan, the 2019 VTA Priorities and the Chairpersons' priorities
- There were 24 separate themes identified in the documents
  - Only three topics were mentioned three or more times: Financial Stability, Transportation Innovation, and Measure B
- There were no stated performance measures, metrics or action plans
  - There has been follow-up activity related to several topics
  - VTA Divisions have their own additional goals, priorities and performance metrics
  - There is reference in the Budget document to the strategic themes
- The 2017 – 2022 Strategic Plan was adopted unanimously by the Board at its December 8, 2016 meeting
  - Staff led the effort over 18 months to meet with employees, unions and Governance & Audit Committee to gather input
  - A two-year Business Plan was to be developed, including implementation goals for each of the strategic goals, in coordination with the FY 2018 and 2019 biennial budget. However, it has not been completed.
  - The Citizens Advisory Committee (CAC) recommended that specific metrics and accountability be included
  - The Bicycle and Pedestrian Committee recommended the Plan not be adopted because it did not include specific goals
- Recommendation TBD after discussions with benchmark agencies

# Analysis: Mission and Vision, VTA and Benchmark Agencies

	Los Angeles County Metropolitan Transportation Authority (LA Metro)	Chicago Transit Authority (CTA)	Portland Tri-County Metropolitan Transportation District (TriMet)	Denver Regional Transportation District (RTD)	Dallas Area Rapid Transit (DART)	Utah Transit Authority (UTA)	Santa Clara Valley Transportation Authority (VTA)
Mission	To provide a world-class transportation system that enhances quality of life for all who live, work and play within LA County.	We deliver quality, affordable transit services that link people, jobs and communities.	Connect people with valued mobility options that are safe, convenient, reliable, accessible and welcoming for all.	Meet our constituents' present and future public transit needs by providing safe, clean, reliable, courteous, accessible, and cost-effective service throughout the District.	To build, establish and operate a safe, efficient and effective transportation system that, within the DART Service Area, provides mobility, improves the quality of life, and stimulates economic development through the implementation of the DART Service Plan.	Provide integrated mobility solutions to service life's connections, improve public health and enhance quality of life.	Solutions that move you.
Vision	<ul style="list-style-type: none"> <li>Increased prosperity for all by removing mobility barriers</li> <li>Swift and easy mobility throughout LA County, anytime.</li> <li>Accommodating more trips through a variety of high-quality mobility options.</li> </ul>		TriMet will be the leader in delivering safe, convenient, sustainable and integrated mobility options necessary for our region to be recognized as one of the world's most livable places.		DART: Your preferred choice of transportation for now and in the future.	<p>We move people.</p> <p>Provide an integrated system of innovative, accessible and efficient public transportation services that increase access to opportunities and contribute to a healthy environment for the people of the Wasatch region.</p>	To innovate the way Silicon Valley moves.



# Analysis: Goals and Strategies, VTA and Benchmark Agencies

	Los Angeles County Metropolitan Transportation Authority (LA Metro)	Chicago Transit Authority (CTA)	Portland Tri-County Metropolitan Transportation District (TriMet)	Denver Regional Transportation District (RTD)	Dallas Area Rapid Transit (DART)	Utah Transit Authority (UTA)	Santa Clara Valley Transportation Authority (VTA)
Values	<ul style="list-style-type: none"> <li>• Safety</li> <li>• Service Excellence</li> <li>• Workforce Development</li> <li>• Fiscal Responsibility</li> <li>• Innovation and Technology</li> <li>• Sustainability</li> <li>• Integrity</li> <li>• Teamwork</li> </ul>	<ul style="list-style-type: none"> <li>• Courteous</li> <li>• Innovative</li> <li>• Motivated</li> <li>• Professional</li> <li>• Reliable</li> <li>• Results-Oriented</li> </ul>	<ul style="list-style-type: none"> <li>• Safety</li> <li>• Inclusivity</li> <li>• Equity</li> <li>• Community</li> <li>• Teamwork</li> </ul>			<ul style="list-style-type: none"> <li>• Service</li> <li>• People</li> <li>• Stewardship</li> </ul>	<ul style="list-style-type: none"> <li>• Safety</li> <li>• Integrity</li> <li>• Quality</li> <li>• Sustainability</li> <li>• Diversity</li> <li>• Accountability</li> </ul>
Business Goals or Strategy	<p><b>Strategies:</b></p> <ul style="list-style-type: none"> <li>• Provide high-quality mobility options</li> <li>• Deliver outstanding trip experiences</li> <li>• Enhance communities and lives</li> <li>• Transform LA County through regional collaboration and national leadership.</li> <li>• Provide responsive, accountable and trustworthy governance</li> </ul>	<ul style="list-style-type: none"> <li>• Setting clear goals, standards and priorities</li> <li>• Communicating openly with customers and employees</li> <li>• Helping all of our employees develop to their fullest potential through enhanced training and education</li> <li>• Being accountable to fellow employees and customers</li> <li>• Supporting employees so that they can serve customers</li> <li>• Engaging employees in decisions that affect them and their work and creating a stronger sense of ownership among our employees</li> </ul>	<p><b>Strategic Priorities:</b></p> <ul style="list-style-type: none"> <li>• Enhance customer experience</li> <li>• Increase the share of trips in the region on transit and other low-impact options</li> <li>• Reduce customer travel times</li> <li>• Help counter global climate change threat</li> <li>• Support Regional Transportation Plan</li> <li>• Improve system safety and security</li> <li>• Optimize internal systems &amp; processes</li> <li>• Improve farebox recovery</li> <li>• Improve state of good repair</li> <li>• Ensure highly rated by the FTA</li> </ul>	<p><b>Strategies:</b></p> <ul style="list-style-type: none"> <li>• Deliver Customer-Oriented Service</li> <li>• Foster a Safety Culture</li> <li>• Strengthen Fiscal Resiliency</li> <li>• Improve Customer Access and Support Transit-Oriented Communities</li> <li>• Optimize Service Delivery</li> <li>• Use Technology to Operate Efficiently and Improve Customer Experience</li> <li>• Foster a Dynamic and Sustainable Workforce</li> </ul>	<p><b>Strategic Priorities:</b></p> <ul style="list-style-type: none"> <li>• Continually improve service and safety experiences</li> <li>• Optimize and preserve the transit system</li> <li>• Optimize influence in regional transportation planning</li> <li>• Expand the system to serve cities inside and outside the current area</li> <li>• Pursue excellence through employee engagement, development, and well-being</li> <li>• Innovate to improve service, business processes &amp; funding</li> </ul>	<p><b>Strategic Areas:</b></p> <ul style="list-style-type: none"> <li>• Customer Experience</li> <li>• Leadership &amp; Advocacy</li> <li>• Access to Opportunity</li> <li>• Strategic Funding</li> <li>• Workforce of the Future</li> </ul>	<p><b>Strategies:</b></p> <ul style="list-style-type: none"> <li>• Faster, Frequent, Reliable Transit</li> <li>• Deliver Projects and Programs</li> <li>• Transportation System Management</li> </ul> <p><b>Action Values:</b></p> <ul style="list-style-type: none"> <li>• Create</li> <li>• Collaborate</li> <li>• Lead</li> </ul>



## SECTION IV.

# TIMELINE AND KEY MILESTONES

# Timeline and Key Milestones (estimated)

Overall Status: Green

Tasks	Week Starting																				
	August		Sept					Oct					Nov				Dec				2020
	19	26	2	9	16	23	30	7	14	21	28	4	11	18	25	2	9	16	23	30	
BEC Meetings					P		S	P			D			S				D			
Community Meeting and Webcast/Virtual Meeting																					
City Managers and Cities Association meetings																					
Phase I - Project Kickoff; Document Review																					
- Evaluate Governance; Test Adherence																					
Phase II – VTA and Member Agency Interviews																					
- Peer Comparisons; Best Practices																					
Final Reporting and Board Meeting (dates TBD)																					TBD

Note: Some tasks may overlap.

(S = status; D = deliverable, P = postponed)



## RSM US LLP

+1 800 274 3978

[rsmus.com](http://rsmus.com)

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